

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-267-C - ORDER NO. 2000-0167
FEBRUARY 28, 2000

IN RE: Application of Voice Vision International,)
Incorporated For A Certificate of Public) ORDER *VVI*
Convenience and Necessity To Operate As A) GRANTING
Reseller of Interexchange) CERTIFICATE
Telecommunications Services And For)
Approval of Its Initial Tariff)

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Voice Vision International, Inc. (“VVI” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold telecommunications services between and among locations within the State of South Carolina as a non facilities-based interexchange telecommunications service provider. The Company’s Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1998) and the Regulations of the Public Service Commission of South Carolina.

The Commission’s Executive Director instructed VVI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of VVI’s Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene were filed.

A hearing was convened on February 2, 2000 at 2:30 p.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable Philip T. Bradley, Chairman, presided. The Company was not represented by counsel. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Rabih Aridi, President of Voice Vision International, Inc., appeared and offered testimony in support of the Application. The record reveals the Company intends to operate as a reseller of intraLATA and interLATA intrastate telecommunications services to the public on a statewide basis. More specifically, VVI seeks to offer intrastate, interLATA, intraLATA direct-dialed services including (1+) service, flat-rate service, 800 inbound service, travel cards, and prepaid calling cards. Further, the Company intends to operate as a switchless reseller.

The officers of VVI include Mr. Aridi, Wael Moukarim, Kamala Kannan, Dan Civiello, and Lamia Lorelwar. According to Mr. Aridi's testimony, all of the officers other than himself had telecommunications experience prior to joining VVI. Two of the officers are engineers and Mr. Civiello was an accountant for a previous telecommunications firm. Mr. Aridi previously held the position of Executive Vice President with another company prior to establishing VVI. The record reveals that as of October 31, 1999, VVI's total current assets were \$1,454,087.28 and its total current liabilities were \$1,147,166.46. According to Mr. Aridi, VVI does not have a parent company; therefore, the Company will rely on its own resources to provide telecommunications services in South Carolina.

The Company currently employs four telecommunications engineers and computer scientists. VVI has switches on the east coast in New York and on west coast in Los Angeles. In

addition, the Company has a network that connects all of its switches together. VVI will use its switches to route traffic in South Carolina.

Mr. Aridi also testified VVI will amend its tariff so that the tariff includes information on the Company's prepaid calling card (i.e., surcharges, expiration dates, etc.). Furthermore, Mr. Aridi stated he is aware that the Company must post a \$5,000 surety bond with the Commission prior to VVI offering its cards in South Carolina. The testimony reveals further that VVI's name may not appear on each calling card because the Company markets to wholesalers and distributors. In addition, the expiration date appears on each card; some cards are rechargeable and other cards are not rechargeable. If surcharges are assessed, the surcharges are printed on the calling card.

As of the date of the hearing, VVI's customer service department was located in Baltimore. The testimony reveals a live voice will be available to answer customer calls twenty-four hours a day, seven days a week. According to the testimony, VVI plans to relocate its customer service department to Los Angeles within the next few months. The new customer service department will be operated by VVI employees. VVI will perform its own billing services by billing its customers directly. The testimony reveals VVI's name and customer service telephone number will appear on customers' bills. The Company intends to utilize MCI, Sprint, and Frontier as its underlying carriers.

The record reveals VVI is certified to provide its services in approximately twenty-two states. According to Mr. Aridi, VVI is operating in good standing in all the states where the Company is certified to provide its services. In addition, VVI has never had authority denied in any state where it has applied for authority nor has the Company had authority revoked in any

state where it has been granted authority. The testimony also reveals VVI has never been the subject of an investigation, fined or sanctioned by a state or federal regulatory body.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. VVI is organized as a corporation under the laws of the State of Delaware and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. VVI operates as a non facilities-based reseller of interexchange services and wishes to provide its services in South Carolina.
3. VVI has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to VVI to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through its own facilities and through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for VVI for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. VVI shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. VVI shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 1998).

4. If it has not already done so by the date of issuance of this Order, VVI shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. VVI is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. VVI shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If VVI changes underlying carriers, it shall notify the Commission in writing.

8. VVI shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. VVI shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

10. As a condition of offering debit card services, the Commission requires the Company to post with the Commission a bond in the form of a Certificate of Deposit worth \$5,000 drawn in the name of the Public Service Commission of South Carolina or a surety bond in the amount of \$5,000 which is payable to the Commission. The Certificate of Deposit shall be drawn on federal or state chartered banks or savings and loan associations which maintain an office in this state and whose accounts are insured by either the FDIC or the Federal Savings and Loan Insurance Corporation. A surety bond shall be issued by a duly licensed bonding or insurance company authorized to do business in South Carolina. This condition may be reviewed annually.

If the Company sells its debit cards to retail establishments for resale of the debit cards, and the retailer of the debit cards deviates from the suggested retail price as filed in the tariff, or as approved by the Commission in a special promotion, then the Company will withdraw its cards from that retail outlet. This Commission strongly suggests that the Company enter into written agreements with its South Carolina retail outlets regarding this policy of abiding by suggested retail pricing prior to the outlet marketing the card.

The Company shall amend its tariff to include provisions on the Company's prepaid calling card. In addition, the Company shall include its name on the back of each of its prepaid calling cards.

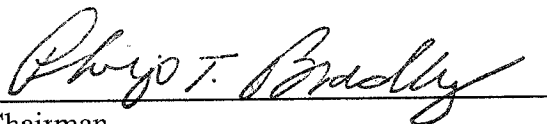
11. With regard to the origination and termination of toll calls within the same LATA, VVI shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by

the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

12. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'

COMPANY NAME

FEIN

ADDRESS PHONE NUMBER

CITY, STATE, ZIP CODE FAX NUMBER

1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, OR FISCAL YEAR. \$ _____
2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, OR FISCAL YEAR. \$ _____
3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, OR FISCAL YEAR. \$ _____
4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, OR FISCAL YEAR. \$ _____
5. PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED
COST PERCENTAGE (%) _____
6. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF
EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF
ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).
7. **CONTACT PERSON FOR ALL FINANCIAL INQUIRIES AND REPORTING:**

NAME _____

ADDRESS (IF DIFFERENT FROM COMPANY) _____

TELEPHONE NUMBER _____

SIGNATURE

NAME PLEASE PRINT OR TYPE

TITLE

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).**